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DEPT FOR EUR/NCE AARON JENSEN

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TAGS: [PGOV](#) [PREL](#) [SOCI](#) [KCOR](#) [RO](#)
SUBJECT: ROMANIAN PM TARICEANU UNDER FIRE AS PNL REVOLT
GAINS MOMENTUM

REF: A. BUCHAREST 1646

[1](#)B. BUCHAREST 1237

[1](#)C. BUCHAREST 1202

Classified By: CDA Mark A. Taplin for Reasons 1.4 (b) and (d).

[1](#)1. (C) Summary. A significant number of National Liberal Party (PNL) figures have joined Agriculture Minister Flutur in support of the rebel Stoica-Stolojan faction, handing Romanian Prime Minister Tariceanu his biggest Liberal Party leadership challenge to date. The breakaway faction has strengthened more quickly than proponents expected, though party insiders emphasize that they would delay forming a new party, preferring instead to wrest control of the PNL from Tariceanu. Even some Tariceanu loyalists acknowledge that there is a threat the party could continue to drop in the polls with a politically crippled PM clinging to the bridge of his sinking ship. Some predict Basescu's Democratic Party will withdraw its ministers from the government to topple the Prime Minister early next year. Under this scenario, former Prime Minister Stolojan and close Basescu ally, or some other pro-presidential standard-bearer, could well return to center stage as a caretaker PM until regular elections are held in 2008. End Summary.

Battle of the PNL Party Presidents

[1](#)2. (C) Internal divisions within the National Liberal Party (PNL) are threatening to push the government of Prime Minister Calin Popescu Tariceanu to minority status, as twenty (out of 67) PNL deputies and ten (out of 30) PNL senators joined Minister of Agriculture Gheorghe Flutur in announcing their opposition Tariceanu's leadership. Presidents of seven local PNL branches and six mayors were also with Flutur. Openly supporting the PNL "reform" agenda of former party presidents Theodor Stolojan and Valeriu Stoica, Flutur resigned his party leadership position, but refused to step down as Agriculture Minister, forcing Tariceanu instead to demand his resignation. Tariceanu subsequently met with the dissident liberals on November 21, but rejected their demands to reinstate their party memberships and allow for open internal debate of the alternative party platform. President Basescu accepted Tariceanu's request for Flutur's resignation, but pointedly underscored that he hoped Tariceanu (who had repeatedly accused Basescu of instigating the Stolojan-Stoica revolt) would take responsibility for the divisions within his own party.

[1](#)3. (C) Participants said the meeting between Tariceanu and the Stolojan-Stoica faction ended in stalemate, with both sides unready to give ground in what both sides see as a fight for political survival. Expelled PNL party member Cristian Boureanu, one of the more promising young Liberals,

told PolOff that Tariceanu would likely be removed as Prime Minister if the Democratic Party withdraws from the government after January 1. He said Tariceanu's removal as Prime Minister would strip him of his primary source of power--e.g., authority over the budget --enabling Theodor Stolojan to regain control of the PNL and reinstate the original PNL-PD alliance. Stolojan would likely serve as a caretaker Prime Minister until regular parliamentary elections in 2008.

14. (C) On the other hand, Liberal Senator Paul Pacuraru (who was a PNL vice president alongside Tariceanu, Mona Musca, and Gheorghe Flutur in 2002 under then-party president Stolojan) told PolOff that the internal fight followed historic divisions between the "old liberals" who would fight on principle the "growing authoritarian regime" of President Basescu, and the "not quite genuine" liberals who merged into the party over the past decade. Pacuraru said there was no mention of a merger in the PNL-PD alliance protocols he helped write. Pacuraru argued that the governing program of the alliance was the Liberal program, because the PD had "no ideas on governance, "but were puppets of Basescu, a leader who "thrives only with conflict." Pacuraru said that the Stolojan-Stoica agenda could not be accepted since it would dismantle the party from within, as part of Basescu's "anti-democratic attempt to reduce the power of political parties."

View From the Presidential Palace: Tariceanu's Days Are Numbered

15. (C) Presidential Counselor Teodor Baconschi told DCM the
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"PM's days are numbered." He noted that early elections could not be pursued directly since only one party head -- namely PD's Emil Boc -- favors going to the polls before the 2008 scheduled elections. Baconschi said there were two possible scenarios: either the PM would fall as a result of the growing split within the PNL, or the PD would withdraw from the governing coalition. Baconschi confirmed that former PNL president and Senator Valeriu Stoica was the guiding hand behind the rebellion in PNL ranks (reftel A). Baconschi confided, "It won't be much longer," saying that the PM's denouement would likely take place in the January-February timeframe.

16. (C) Baconschi recently joined Cotroceni Palace after the Prime Minister removed him as Deputy Foreign Minister in September to accommodate an inexperienced Liberal Party figure. It was, in part, a transparent attempt to reduce Foreign Minister Ungureanu's hold on the Ministry. After Baconschi openly spoke of his disappointment in a newspaper interview, Tariceanu retaliated by blocking Baconschi's nomination as Romanian Ambassador to Paris. After a month or more in the wilderness waiting for the PM to relent, Baconschi emerged on President Basescu's team with a mandate to help form a new center-right party that would form the basis for Basescu's reelection effort. This center-right "Christian Democratic" party would aim at attracting new people to Romanian politics and help define a political program that could complement Basescu's popular support. Baconschi is working within the elites, including intellectuals, journalists, and the Orthodox Church, to build support and content for the new center-right party. Baconschi was upbeat about his initial soundings, although he said some in the church were intimidated by efforts to open up the Securitate files on the clergy, many of whom actively collaborated with the old regime. According to opinion polls, the church, along with the army, is one of the two most trusted Romanian institutions. (Note: While Basescu could win an electoral contest on populism alone, he could remain hamstrung by a disparate coalition of self-interested

political "players" and the oligarchic interests behind them.

Several insiders told us last month that Baconschi was handpicked by Basescu in part because he is a respected figure in intellectual circles, and is one of the country's leading scholars on the Romanian Orthodox Church, with exceptional access within religious circles. End Note.)

¶17. (C) Baconschi predicted that Foreign Minister Ungureanu would be next prominent Liberal to defect towards the Stolojan-Stoica group, probably before the end of the year. "That would keep up the pressure," he added. (Note: Boureanu also believed the FM would be the next and only other cabinet minister to defect, citing disinterest in the remaining Liberal ministers. However, Pacuraru discounted that possibility, citing a recent conversation with Ungureanu.) While campaigning around the country and calling for PNL branches to choose sides, Stolojan announced there were an additional twenty PNL parliamentarians negotiating to join his group. Some observers have also suggested Minister of Health Eugen Nicolaescu is working to recruit new dissidents to the Stolojan-Stoica camp. Mona Musca, still one of the more popular politicians despite a scandal over her past Securitate affiliations, also publicly rejoined (reftel C) the Liberal "reform" movement on November 28.

Caveat Emptor

¶18. (C) Following Tariceanu's discussions with the Stolojan-Stoica group, the PNL Executive Committee called for an Extraordinary Congress in January to determine the party's future leadership. Pacuraru characterized the current crisis as a "serious problem for Tariceanu" but claimed the congress would nevertheless "legitimize" him as the PNL leader. Boureanu, however, characterized this congress to the press as Tariceanu's version of a "14th Party Congress" -- the last Communist Party meeting that unanimously confirmed Ceausescu as President one month before he was overthrown. Boureanu told PolOff that Tariceanu has "bought off" local party branches through his leverage over patronage and the budget ensuring the support of these Liberal "barons" as long as he remains Prime Minister. Pacuraru asserted the "old Liberals" would break from the Stolojan platform should it be accepted because they were the "true promoters of democracy in Romania."

PSD Fears Basescu, Prefers Status Quo

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¶19. (C) Deputy Viorel Hrebenciuc, leader of PSD's Parliamentary Group and arguably the most influential behind-the-scenes figure among the Social Democrats, told PolOff that PSD did not want to see Tariceanu removed as Prime Minister and would not support a no-confidence vote. He said the PSD was negotiating with both PNL and PD to ensure early elections would not be held. Hrebenciuc said the PSD's preferred outcome in the event Tariceanu loses his grip would be an agreement with the PD to create a large governing coalition that could agree on economic development issues for the country's post EU accession. PSD President Mircea Geoana later publicly warned that there would be a governmental crisis due to the splintering of the PNL and the "disappearance of the orange alliance." He forecasted, "Basescu will try to impose Stolojan as Premier" and blustered, "We will not have a little robot remote-controlled from Cotroceni as a Prime Minister."

¶10. (C) Comment: For a long time now, Tariceanu has remained in office in part because of the lack of better alternatives, as well as by virtue of the patronage opportunities of the premiership and the strong support of Liberal Party oligarch and eminence grise Dinu Patriciu. Only the Democrats have

sought early elections since the other parties could lose seats to the Democrats and to Gigi Becali's new right-nationalist party, which could possibly enter parliament with more seats than the Liberals (reftel B). The Stolojan-Stoica splinter movement within the PNL has gained traction in recent weeks and could in fact bring down Tariceanu as PNL leader or by creating an alternative party that can ally with the Democrats. Basescu, the dominant figure on the Romanian political scene, would have considerable gravitational pull under these circumstances, especially since there is no credible alternative candidate for president anywhere on the horizon. Yet should the PNL splinter, the rebels still might fail in delivering a majority government to a renewed Stolojan-Basescu alliance. While the ethnic Hungarian UDMR would likely seek to join any government in power, Tariceanu's followers, allied with the Conservatives, could join the Social Democrats and Vadim Tudor's Greater Romania Party in opposition, setting up the possibility of a minority government until the 2008 parliamentary elections. End Comment.

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